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Current Handling: n/a

Document Number: 2001BOGOTA07088 Channel: n/a

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ACTION WHA-00

AMEMBASSY LA PAZ USCINCSO MIAMI FL

INFO LOG-00 NP-00 ACQ-00 CIAE-00 INL-00 DODE-00 DS-00 FBIE-00 VC-00 TEDE-00 NSAE-00 OES-01 ACE-00 INR-00 EB-00 L-00VCE-00 AC-01 SCT-00 IRM-00 ASDS-01 EPAE-00 DSCC-00 DRL-02 NFAT-00 SAS-00 /005W

P 081711Z AUG 01 FM AMEMBASSY BOGOTA TO SECSTATE WASHDC PRIORITY 3041 INFO USDOC WASHDC DEPT OF ENERGY WASHDC AMEMBASSY QUITO AMEMBASSY LIMA AMEMBASSY CARACAS

RELEASED IN PART B1, 1.4(D), B6, B4

C O N F I D E N T I A L SECTION 01 OF 03 BOGOTA 007088

STATE FOR WHA/AND, WHA/EPSC, EB/ESC/IEC COMMERCE FOR 4331/IEP/OLA/AND/JANGLIN AND FOR 3134/USFCS/IOI/WH/DLUTTER ENERGY FOR GARY WARD AND ERIKA BENSEN

E.O. 12958: DECL: 08/06/10

TAGS: ENRG, EPET, PTER, PREL, PGOV, CO

SUBJECT: OXY PUMPING AGAIN BUT CLOSING EXPLORATORY WELL

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PAGE 02 BOGOTA 07088 01 OF 03 081807Z CLASSIFIED BY AMBASSADOR ANNE W. PATTERSON. REASON: 1.5(B).

SUMMARY

1. (C) OCCIDENTAL PETROLEUM (OXY) HAS BEGUN PUMPING AGAIN FROM ITS CANO LIMON OIL FIELD IN ARAUCA DEPARTMENT. THIS FOLLOWS COLOMBIAN MILITARY OPERATIONS WHICH HAVE LED TO A MAJOR DECREASE IN ATTACKS ON THE PIPELINE IT USES TO TRANSPORT CRUDE OIL TO THE CARIBBEAN. OXY CONTINUES TO

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UNITED STATES DEPARTMENT OF STATE REVIEW AUTHORITY: OSCAR J OLSON DATE/CASE ID: 19 MAY 2004 200303455

Current Handling: n/a Document Number: 2001BOGOTA07088 Channel: n/a INSIST THAT THE ARMY'S ACTIVITY BE FOLLOWED BY A RE-ESTABLISHMENT OF PERMANENT STATE PRESENCE (I.E. POLICE AND PROSECUTORS) IN ARAUCA. ALTHOUGH FULL RECOVERY OF LOSSES FROM THE PIPELINE'S SHUTDOWN IS UNLIKELY IN THE NEAR FUTURE, OXY MAY STEP UP PRODUCTION AT CANO LIMON TO PARTIALLY MAKE UP THE DIFFERENCE. IT HAS ANNOUNCED THAT IT IS STOPPING DRILLING AT ITS NEARBY GIBRALTAR-1 EXPLORATORY WELL AND IS MOVING OUT MACHINERY. B1, B4 END SUMMARY. CONFIDENTIAL BOGOTA 07088 01 OF 03 081807Z PAGE 03 CRUDE FLOWING AGAIN ON AUGUST 2 **B6** CONFIRMED TO US THAT OXY HAS RESUMED PUMPING CRUDE OIL FROM ITS CANO LIMON OIL FIELD IN ARAUCA DEPARTMENT IN EASTERN COLOMBIA. OXY HAD STOPPED PUMPING IN FEBRUARY AFTER A MAJOR INCREASE IN ATTACKS ON THE PIPELINE IT USES TO TRANSPORT CRUDE TO THE PORT OF COVENAS ON THE CARIBBEAN. IT HAD ALSO INVOKED "FORCE MAJEURE" CLAUSES IN ITS CONTRACTS WITH CUSTOMERS, RELIEVING IT OF LIABILITY FOR FAILURE TO MAKE TIMELY DELIVERIES. B1, B4 PUMPING BEGAN AGAIN ON JULY 10, AND 500 LAID OFF CONTRACT EMPLOYEES HAVE BEEN REHIRED. SINCE JULY 5, THE PIPELINE HAS BEEN ATTACKED FIVE TIMES, A RELATIVELY LOW NUMBER WHICH PERMITS ROUTINE OPERATION, ACCORDING TO THIS CONTRASTS WITH 29 ATTACKS ON THE PIPELINE В IN FEBRUARY IN THE RUN-UP TO OXY'S EXTENDED SHUT-DOWN. OXY HAS LIFTED ITS INVOCATION OF FORCE MAJEURE, ALTHOUGH MARKETS, APPARENTLY NOT YET CONFIDENT THAT THE FLOW OF OXY'S COLOMBIAN CRUDE WILL NOT BE SERIOUSLY INTERRUPTED AGAIN, ARE STILL DISCOUNTING ITS PRICE FOR THE TIME BEING. 3. (C) **B**1 Current Class: CONFIDENTIAL Page: 2

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P 081711Z AUG 01 ZDK CTG EHCB #5439

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC PRIORITY 3042

INFO USDOC WASHDC

DEPT OF ENERGY WASHDC

AMEMBASSY QUITO

AMEMBASSY LIMA

AMEMBASSY CARACAS

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AMEMBASSY LA PAZ USCINCSO MIAMI FL

C O N F I D E N T I A L SECTION 02 OF 03 BOGOTA 007088

STATE FOR WHA/AND, WHA/EPSC, EB/ESC/IEC COMMERCE FOR 4331/IEP/OLA/AND/JANGLIN AND FOR 3134/USFCS/IOI/WH/DLUTTER ENERGY FOR GARY WARD AND ERIKA BENSEN

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# SHUTTING DOWN EXPLORATION

5. (C) OXY HAS ALREADY ANNOUNCED PUBLICLY THAT IT IS CEASING DRILLING, AFTER GOING 12,000 FEET DEEP, AT ITS GIBRALTAR-1 EXPLORATORY WELL IN THE SIRIRI (FORMERLY CALLED SAMORE) BLOCK IN NORTE DEL SANTANDER DEPARTMENT, NEAR THE BORDER WITH ARAUCA. WHEN THE SHUTDOWN HAD FIRST BEEN RUMORED, PRESS REPORTS LINKED IT TO THE PIPELINE SECURITY PROBLEM. HOWEVER, OXY'S ANNOUNCEMENT MADE IT CLEAR THAT THE PROBLEMS WERE GEOLOGICAL AND FINANCIAL.

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INR-00 L-00 SCT-00 IRM-00

DODE-00 DS-00 L-00 VCE-00

AC-01

NSAE-00 OES-01

ACE-00 SCT-00

ASDS-01

EPAE-00 DSCC-00 DRL-02

NFAT-00 SAS-00

/005W

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC PRIORITY 3043

INFO USDOC WASHDC

DEPT OF ENERGY WASHDC

AMEMBASSY QUITO

AMEMBASSY LIMA

AMEMBASSY CARACAS

AMEMBASSY LA PAZ

USCINCSO MIAMI FL

C O N F I D E N T I A L SECTION 03 OF 03 BOGOTA 007088

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**PATTERSON** 

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